If Batteries are in short supply…

FuelsEurope sets out with scientific analysis the logical conclusions from T&E' observation of Europe's battery metals challenges

Brussels 19 July 2023: It is refreshing to see that some two years after DG Climate Action, and their supporters, T&E, made the regulatory proposal for 2035 that effectively means a ban on the Internal Combustion Engines (ICE) in new cars from 2035, for the first time we start to see the realisation, that others have seen earlier, that battery supply chains for Electric vehicles (EV) will be a major challenge.

T&E's solution is that all cars need to be smaller. Already we have seen that small EVs are either much more expensive than current ICE models, or have very limited range, or both, and in any case are more likely to be made outside the EU. So, T&E's proposal besides putting further at risk the European car industry, will cause problems for anyone who wants or needs a larger vehicle. This could be a large family, or somebody who has a mixed use of a vehicle for personal and business purposes. This is exactly what Mr. Timmermans claims he will not do, when he says "The European Commission does not dictate to people how to live". T&E's "easy and simple" solution risks serious pushback from citizens.

There are several possible outcomes if the supply chain constraints turn out to be true. It could be that many people will keep their ICE cars for longer, exactly the opposite of the policy intent. But there are two developments that could be made that would make a better outcome for everyone and the climate.

First, vehicle regulations could incentivise vehicle makers to make more Plug-In Hybrid Electric Vehicles (PHEV) instead of full EVs. Concawe's battery use optimisation study in 2021 showed that when battery materials are constrained, a PHEV-based fleet will have lower emissions than a limited supply of some EVs with the rest being ICEs.

Secondly, a vehicle regulation that recognises renewable CO_2-neutral fuels used exclusively in new ICE and hybrid/PHEV vehicles will still allow all new vehicles to be CO_2-neutral from 2035. Concawe's Life Cycle Analysis (LCA) comparator tool is available to everyone, and by varying the input parameters, it will show that in many circumstances the PHEV with renewable fuels can have lower overall life cycle CO_2 emissions than the EV.

This approach gives citizens and businesses more ways to participate in carbon neutral mobility, and more green investment options for the energy industries in Europe to use European resources.

To make this happen we need DG Climate Action to honour their commitment with the Council to make a proposal for the recognition of new vehicles fuelled exclusively and permanently with CO_2 neutral fuels to be labelled zero CO_2 emission. We call on them to make a workable proposal which includes all CO_2 neutral fuel options, synthetic fuels and biofuels, that will spur EU investments in good time. The economic, political and scientific logic for this is growing more compelling every month - even T&E supply the necessary evidence!

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FuelsEurope, the voice of the European fuel manufacturing industry.

FuelsEurope represents with the EU institutions the interest of 39 companies manufacturing and distributing liquid fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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